The Technical Incentive Funding Model Task Force met Tuesday, August 20, 2013 at the University of Washington, Gerberding Hall in Seattle. Meeting attendees included:

Carol Diem, University of Washington
Jane Sherman, Washington State University
Colin Ormsby, Eastern Washington University
Mark Baldwin, Eastern Washington University
Marc Webster, Washington Student Achievement Council
Gene Sharratt, Washington Student Achievement Council
Melissa Beard, Education Research & Data Center, Office of Financial Management
Paul Francis, Council of Presidents
Ann Anderson, Central Washington University
Steve Vanderstaay, Western Washington University
Julie Garver, Evergreen State College
Paula Moore, Budget Division, Office of Financial Management
Cherie Berthon, Budget Division, Office of Financial Management

Welcome
Cherie Berthon opened the meeting, welcomed everyone and noted that several members had traveled several hours to attend the meeting.

Meeting Notes from August 20, 2013
Task Force members reviewed the notes from their last meeting for accuracy. One change was made to reflect that members had not agreed to include a goal for post-secondary success in the performance funding proposal. Institutions have and will place a high priority on this goal, but considering their relative lack of control and data; they did not feel it was an appropriate element of a performance funding system.

Agenda
The agenda was reviewed and members decided to move the afternoon discussion of Performance Measure Funding Structure, Modeling and Weighting to earlier in the agenda.

Higher Education News
Cherie Berthon noted the President's recent proposals related to higher education and asked whether members believed federal initiatives would impact the Task Force's work. Members shared their perspectives and generally agreed that they should be aware of the situation, but would do the best for Washington by working on a proposal that reflected our unique situation.

Metrics from Institutions
Each of the institutions reported back on the metrics they had selected after the first meeting. Several explained that their choices about metrics would be impacted by the way they will be used and that these metrics were not set in stone.

UW
Access:
- Percentage of resident undergraduates enrolled who are first-generation students.
- Percentage of resident undergraduates enrolled who are low income students.
- Percentage of need met by aid for low-income students.

Attainment:
- Number of bachelor degrees awarded
  - Percentage awarded to first-generation students
  - Percentage awarded to low-income students
- Number of STEM bachelor degrees awarded
  - Percentage awarded to first-generation students
  - Percentage awarded to low-income students
  - Percentage awarded to women

WSU
- Total number of degrees awarded.
- Number of graduate/professional degrees awarded
- Number of undergraduate STEM/Health degrees awarded
- Number of undergraduate degrees awarded to students from underrepresented minority populations
- Number of degrees awarded via the Global Campus (e-learning)

EWU

EWU placed its metrics into those areas in which the university excels and those in which it needs improvement.

Areas of Success	Areas of Improvement
Educating First Generation (Number and Percent)	Retention and Persistence Rates • First Generation • Pell • Underrepresented
Education Pell Eligible Students (Number and Percent)	Graduation Rates • First Generation • Pell • Underrepresented
Transfer Students Earning a Degree With Direct Transfer Agreement (Number)	
Degrees (Number and Percent) • First Generation • Under-represented • Pell • STEM o First Generation, Pell & Under-represented	

CWU
- Increase number of transfer students
- Improve six year graduation rates
- Increase recruitment and enrollment (number) of under-represented students
- Increase number of students (head count) enrolled in on-line courses
- Increase number of community college/CWU dually admitted students

TESC

Access
- Increase enrollment of students from under-represented populations.[1]

Attainment
- Improve first-year retention.
    - Improve first-year retention of under-represented students.
- Improve fall-to-fall retention of students admitted under direct transfer agreements (DTA).
- Increase the number of degrees awarded in STEM fields.
    - Increase the number of STEM degrees awarded to under-represented students.[*]

WWU
- The number of degrees awarded to underrepresented and first-generation students.
- The number of degrees awarded to low-income and Pell-grant eligible students
- The number of undergraduate degrees awarded in STEM/High Demand fields.

Task Force members noted the overlap of many of these metrics and agreed to look at potential consolidation where possible.

Discussion

Task Force members noted the overlap of many of these metrics and agreed to look at potential consolidation where possible. Some members encouraged using the metrics to tell the story of Washington's successes in higher education. Inclusion of special needs, English as a Second Language/English Language Learners and foreign students were mentioned as important to include. Some members asked about the potential to compare themselves to peer institutions, not just in Washington but across the United States.

Visitors were asked if they would like to comment on the metrics and some discussion of Legislative intent ensued. Comments included:
- Task Force members were encouraged that they were on the right track having a technical discussion about how a performance funding system could actually work for them.
- The distinction was made that base funding was linked directly to the size of the 'pipeline' or the number of students higher ed can produce. Performance funding should be an enhancement and linked to measures the institutions can fully control.
- Metrics need to reflect the different missions, strengths and challenges of the institutions.

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[1] Under-represented populations should include low-income and non-traditional age as well as under-represented race/ethnicity.

- Many of these issues are non-partisan. Members of the Legislature are looking for a method to rationally provide funding to higher education.
- Use existing metrics within the Dashboard and keep it simple.
- Efficient space utilization is an important aspect of the proviso.
- Other efficiency measures should be included such as time to degree and cost per degree. Keep efficiency and tuition control linked.
- Many in the Legislature recognize the cost of hard-to-serve students.

Space Utilization
The challenges of effective space utilization metrics were discussed by the Task Force. OFM utilizes space utilization metrics in its Capital Budget scoring process. Cherie Berthon agreed to bring information on that process to the next meeting. The need for more research was mentioned, specifically to study the use of space on Friday afternoons and to what degree older buildings can be used for STEM degree production. Currently metrics seem to under estimate lab use because student practice hours are not counted. Some institutions have bottlenecks of student waiting to get into science classes because there isn't enough lab space, but metrics would show the space as underutilized.

Structure, Modeling & Weighting of Metrics
Cherie Berthon reviewed information from the National Conference of State Legislatures on models of performance funding in Indiana, Nevada, New Mexico, Ohio, Pennsylvania, South Dakota, and Tennessee to give members an overview of the variety of models around the U.S.

Funding Mechanisms
Members unanimously supported a model that was additive, rather than redistributing base funding. They discussed the difference between a system that rewards performance and one that incentivizes it. Changes rewarded afterward with small amounts of funding are likely to be marginal and incremental. Larger change initiatives require initial funding to create the instructional infrastructure needed. Those who do not perform according to expectations or targets could have funding taken away. Private models of half-payment upfront and half at completion were mentioned as well. A simple approach of dollars per degree was raised. The importance of sustainability was discussed. Institutions cannot shift resources and directions in a short time frame. System change requires sufficient investment of resources, time and assessment along the way.

Members agreed ideally the performance funding would be upfront with annual assessments of progress and maintenance level budget adjustments.

Short-Term & Long-Term Goals
Members recognized that an annual cycle of performance measurement would need both short-term and long-term metrics and goals. Specifically, enrollment of targeted populations and retention metrics would be more heavily weighted early in the process. Increased numbers of degrees would be a goal that required more time to achieve. The need for predictability was stressed. Members also asked how long they would need to assess or measure progress for the same pot of money.

Discussion & Questions for Further Discussion on Campuses
Members revisited the details of their potential metrics, specifically definitions of underrepresented student populations. It was clear that further on-campus conversations were needed to get to some common data definitions.

Members agreed to meet briefly in a conference call the following week. The questions noted during the meeting were:

Data Questions
For Institutions:
- Do underrepresented and low-income students serve as a proxy for first-generation students?
- Can institutions provide a definition for first-generation students?
- Are any of the three groups proxies for each other?
- Can the institutions create a simple way to communicate the full story of space usage?

For ERDC or WSAC:
- What data is available in the student aid files?
- What aid types are reported?

For OFM
- What metrics are used in the Capital budget process for space utilization?

Conversation about the larger structure of a model resulted in several questions. Those noted during the meeting were:

Structure, Funding & Measurement Questions
What counts as a baseline?
What counts as improvement?
What governance structure would be most effective?
When does new money become part of the base to sustain success?
What is the right mix of progress vs. completion in our short- and long-term metrics?
What method should be used to translate outcome data (i.e. number of degrees) to a funding allocation?

Next Meeting
The Task Force will meet again on September 26, at University of Washington-Tacoma Campus.
Future meetings will start at 10:00 a.m. to give Members more time for travel.